

Major Market Indicators

	11 Jul	10 Jul	9 Jul
Mkt. Turn.(mn)	100,400	102,300	94,300
Stock Advances	1,100	605	828
Stock Declines	489	930	752
HSI	17,832	17,472	17,523
Change	+361	-52	-1

HSI Technical Indicators

10-days MA	17,736
50-days MA	18,333
250-days MA	17,496
14-days RSI	46.99
Primary resistance	18,000
Primary support	17,600

HSCEI Technical Indicators

10-days MA	6,352
50-days MA	6,518
250-days MA	6,049
14-days RSI	47.68
Primary resistance	6,600
Primary support	6,200

Stock Pick
China Mobile (941)
Target: \$82
Stop loss: \$73

We have repeatedly recommended the stock for its stable earnings growth, clear dividend policy and benefit from market cap management of state-owned enterprises. By incorporating market value management into the KPI of state-owned enterprise management, it may promote Chinese telecommunications stocks to continue to increase their dividend payout ratios in the future. Management expects CAPEX to decline over the next 2-3 years, which should help free cash flow of the Group to remain strong.

Trip.com (9961)
Target: \$460
Stop loss: \$343

Trip.com's 1Q24 revenue and profit both exceeded expectations. Domestic hotel and air bookings grew by over 20% yoy; outbound hotel and air bookings increased by over 100% yoy; and total revenue from the company's global OTA platform, Trip.com, grew by approximately 80% yoy. Management remains confident in the travel momentum for the summer holiday and beyond, expecting significant growth in the outbound travel segment driven by the continued recovery of flight capacity and the resolution of visa backlogs.

Zijin Mining (2899)
Target: \$20
Stop loss: \$16

U.S. non-farm payrolls increased by 206,000 in June. Although higher than market expectations, it was lower than the previous value. At the same time, non-farm employment data for May has revived downward sharply to 218,000 from the previously reported 272,000. The unemployment rate rose to 4.1% compared with market expectations and the previous value. The overall employment shows a cooling signal, increasing the possibility that the Federal Reserve will start cutting interest rates in the coming months.

Market Overview

US Consumer price index (CPI) fell 0.1% in June from the previous month, instead of rising 0.1% as expected. The annual growth rate was 3%, lower than the expected growth rate of 3.1%. The widely watched core CPI, which excludes the volatile food and energy components, rose just 0.1% from the previous month and 3.3% from a year ago, compared with the previous estimate of 3.4% growth. U.S. Treasury yields fell after the CPI was released as traders ramped up bets on upcoming interest rate cuts. The CME FedWatch Tool shows the likelihood of a rate cut in September has jumped to around 93%, despite market consensus that the Fed will keep rates on hold at its meeting later this month.

Hong Kong Stock Connect had a net inflow of HK\$0.47bn on Thursday, of which Meituan (3690) had the largest net inflow, reaching HK\$0.29bn; followed by China Mobile (941). Tencent (700) recorded the largest net outflow at HK\$0.52bn, followed by XPeng (9868).

Daily Focus

Lenovo(992): Look forward to AI PC bringing greater revenue contribution

- According to the latest data from the International Data Corporation (IDC), global PC shipments reached 64.9 million units in 2Q24, a yoy increase of 3%, higher than the forecast of -0.6% yoy. Among the industry, Lenovo Group grew by 3.7% and maintained the first place with a market share of 22.7%, a yoy increase of 0.2 percentage points.
- To recap, the Intelligent Devices Group (IDG) of the Company remained a strong leader in market share and profitability in FY24, with its global market share improved by 50bps yoy, driven by gains across four out of five geographical markets. Its segment profitability remained robust at 7.1 percent, firmly within the upper range of its historical trend.
- The AI PC product portfolio launched by the company earlier covers Lenovo ThinkPad, ThinkBook, YOGA, Xiaoxin and other product lines, which can fully meet the multi-scenario AI needs of individual consumers and business users. The released AIPC has five major characteristics: an intelligent body that embeds a large personal model and interacts naturally with the user, a personal knowledge base, local heterogeneous AI computing power (CPU/GPU, NPU), an open artificial intelligence application ecosystem, and personal data and privacy security protection.
- Considering its higher enterprise PC usage, the company is likely to reap the benefits in the next replenishment cycle of business laptops, starting in 2025 and have a larger revenue contribution from AI PC.

Lenovo (992): Info	
Closed price	11.48
FY24 P/E (X)	13.74
FY24 Dividend yield (%)	3.26
52 week high	12.26
52 week low	7.23
14 RSI	56.3

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	60.45	62.62	81.21
Balance as % of Quota Amount	17.9	13.9	96.7

Top 10 Most Actively Traded Stocks(SH-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	642,145,940	672,523,610	1,314,669,550
CNOOC	883	294,101,600	558,296,622	852,398,222
CHINA MOBILE	941	498,454,275	236,280,775	734,735,050
CCB	939	312,620,550	240,068,220	552,688,770
MEITUAN-W	3690	311,697,810	144,744,950	456,442,760
XPENG-W	9868	129,846,705	326,036,573	455,883,278
CHINA TELECOM	728	212,637,260	153,033,160	365,670,420
KUAISHOU-W	1024	205,694,830	130,249,395	335,944,225
CHINA SHENHUA	1088	180,711,075	148,117,050	328,828,125
XIAOMI-W	1810	168,134,764	155,943,432	324,078,196

Sources: HKEx

Top 10 Most Actively Traded Stocks(SZ-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	316,310,640	815,848,731	1,132,159,371
CNOOC	883	323,023,950	201,799,400	524,823,350
CHINA MOBILE	941	133,015,450	250,338,650	383,354,100
SMIC	981	171,421,230	117,157,390	288,578,620
ICBC	1398	125,648,940	159,648,330	285,297,270
XIAOMI-W	1810	190,618,288	73,598,956	264,217,244
MEITUAN-W	3690	193,291,590	63,627,197	256,918,787
CHINA RES POWER	836	64,474,100	165,697,326	230,171,426
CHINA RES BEER	291	47,367,475	173,642,250	221,009,725
XPENG-W	9868	77,560,590	143,348,425	220,909,015

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	1.91%	384.80	6.362
TRACKER FUND	2800	2.11%	18.40	6.172
HSCEI ETF	2828	2.05%	65.58	5.521
BABA-SW	9988	3.22%	75.45	3.660
MEITUAN-W	3690	1.04%	116.10	2.931
CSOP HS TECH	3033	2.77%	3.63	2.487
CCB	939	1.84%	5.53	1.897
AIA	1299	4.33%	54.25	1.855
BYD COMPANY	1211	1.94%	241.40	1.696
CNOOC	883	2.03%	22.60	1.421

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.18B	3.81B	31.06%
TENCENT	00700.HK	808.95M	3.11B	25.98%
CSOP HS TECH	03033.HK	562.59M	1.18B	47.78%
CCB	00939.HK	364.61M	880.30M	41.42%
MEITUAN-W	03690.HK	297.45M	1.25B	23.76%
BABA-SW	09988.HK	211.48M	1.32B	15.97%
ICBC	01398.HK	203.89M	624.93M	32.63%
BYD COMPANY	01211.HK	158.37M	606.25M	26.12%
PING AN	02318.HK	147.00M	478.17M	30.74%
LI AUTO-W	02015.HK	146.35M	652.47M	22.43%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Wed	China	Jun. PPI (YoY)	-0.8%	-1.4%
		Jun. CPI (YoY)	0.4%	0.3%
Thu	US	Initial Jobless Claims (Till Jul 6)		238k
		Continuing Jobless Claims (Till Jun 29)		1,858k
		Jun. CPI (MoM)	0.1%	0.0%
		Jun. CPI (YoY)	3.1%	3.3%
		Jun. CPI Ex Food and Energy (MoM)	0.2%	0.2%
		Jun. CPI Ex Food and Energy (YoY)	3.4%	3.4%
Fri	US	Jul. University of Michigan Sentiment	67.0	68.2
		Jun. PPI (MoM)	0.1%	-0.2%
		Citigroup (C), JP Morgan (JPM) Results		
	China	Jun. Exports (YoY)	8.0%	7.6%
		Jun. Imports (YoY)	2.9%	1.8%
		Jun. Trade Balance (USD)	\$83.70b	\$82.62b

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